



# House of Representatives

## File No. 618

General Assembly

February Session, 2012

(Reprint of File No. 548)

Substitute House Bill No. 5536  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
May 2, 2012

**AN ACT CONCERNING CERTIFICATION AS A COMMUNITY  
ASSOCIATION MANAGER, LICENSURE AS A REAL ESTATE  
BROKER OR SALESPERSON AND THE DISPLAY OF AN OBJECT  
RELATED TO A RELIGIOUS PRACTICE OR BELIEF ON THE DOOR  
OR DOOR FRAME OF A CONDOMINIUM UNIT.**

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Subsection (a) of section 20-452 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2012*):

4 (a) Any person seeking a certificate of registration shall apply to the  
5 department in writing, on a form provided by the department. Such  
6 application shall include the applicant's name, residence address,  
7 business address, business telephone number, a question as to whether  
8 the applicant has been convicted of a felony in any state or jurisdiction  
9 and such other information as the department may require. On and  
10 after October 1, 2012, any person seeking an initial certificate of  
11 registration shall submit to a request by the commissioner for a state  
12 and national criminal history records check. No registration shall be

13 issued unless the commissioner has received the results of such  
14 records check.

15 Sec. 2. Section 20-453 of the general statutes is repealed and the  
16 following is substituted in lieu thereof (*Effective October 1, 2012*):

17 (a) Upon receipt of a completed application and the appropriate  
18 fees, the department, upon authorization of the commission, shall: (1)  
19 Issue and deliver to the applicant a certificate of registration; or (2)  
20 refuse to issue the certificate. The commission may suspend, revoke or  
21 refuse to issue or renew any certificate issued under sections 20-450 to  
22 20-462, inclusive, as amended by this act, or may place a registrant on  
23 probation or issue a letter of reprimand for any of the reasons stated in  
24 section 20-456, as amended by this act. No application for the  
25 reinstatement of a certificate which has been revoked shall be accepted  
26 by the department within one year after the date of such revocation.

27 (b) Any person issued an initial certificate of registration on or after  
28 October 1, 2012, shall, not later than one year following the date of  
29 issuance of such certificate, successfully complete a nationally  
30 recognized course on community association management and pass  
31 the National Board of Certification for Community Association  
32 Managers' Certified Manager of Community Associations  
33 examination, or a similar examination as may be prescribed by the  
34 Commissioner of Consumer Protection in regulations adopted  
35 pursuant to subsection (d) of this section.

36 (c) Any person who is a holder of a certificate of registration issued  
37 prior to October 1, 2012, who has held such certificate for (1) less than  
38 ten years shall, on or before October 1, 2014, successfully complete a  
39 nationally recognized course on community association management  
40 and pass the National Board of Certification for Community  
41 Association Managers' Certified Manager of Community Associations  
42 examination, or a similar examination as may be prescribed by the  
43 Commissioner of Consumer Protection in regulations adopted  
44 pursuant to subsection (d) of this section, or (2) ten years or more shall,

45 on or before October 1, 2014, successfully complete a nationally  
46 recognized course on community association management.

47 (d) The department, with the advice and assistance of the  
48 commission, shall adopt regulations, in accordance with chapter 54,  
49 concerning any examination required for certification under this  
50 chapter and the approval of schools, institutions or organizations  
51 offering courses in current practices and laws concerning community  
52 association management and the content of such courses. Such  
53 regulations shall include, but not be limited to: (1) Specifications for  
54 meeting the educational requirements prescribed in this section; and  
55 (2) exemptions from the educational requirements for reasons of health  
56 or instances of individual hardship. In adopting such regulations, the  
57 department may not disapprove a school, institution or organization  
58 that offers an examination or courses in current practices and laws  
59 concerning community association management solely because its  
60 examination or courses are offered or taught by electronic means, nor  
61 may the department disapprove an examination or course solely  
62 because it is offered or taught by electronic means.

63 Sec. 3. Section 20-456 of the general statutes is repealed and the  
64 following is substituted in lieu thereof (*Effective October 1, 2012*):

65 (a) The commission may revoke, suspend or refuse to issue or renew  
66 any certificate of registration as a community association manager or  
67 place a registrant on probation or issue a letter of reprimand for: (1)  
68 Making any material misrepresentation; (2) making any false promise  
69 of a character likely to influence, persuade or induce; (3) failing, within  
70 a reasonable time, to account for or remit any moneys coming into his  
71 possession which belong to others; (4) conviction in a court of  
72 competent jurisdiction of this or any other state of forgery,  
73 embezzlement, obtaining money under false pretenses, larceny,  
74 extortion, conspiracy to defraud, or other like offense or offenses,  
75 provided suspension or revocation under this subdivision shall be  
76 subject to the provisions of section 46a-80; (5) commingling funds of  
77 others in an escrow or trustee account; (6) commingling funds of

78 different associations; (7) any act or conduct which constitutes  
79 dishonest, fraudulent or improper dealings; or (8) a violation of any  
80 provision of sections 20-450 to 20-462, inclusive, as amended by this  
81 act, including, but not limited to, failure to comply with the  
82 educational requirements prescribed in section 20-453, as amended by  
83 this act, or any regulation adopted under section 20-461.

84 (b) The commission shall not revoke or suspend any certificate of  
85 registration except upon notice and hearing in accordance with chapter  
86 54.

87 Sec. 4. Subsection (d) of section 20-457 of the general statutes is  
88 repealed and the following is substituted in lieu thereof (*Effective*  
89 *October 1, 2012*):

90 (d) All certificates issued under the provisions of sections 20-450 to  
91 20-462, inclusive, as amended by this act, shall expire annually on the  
92 thirty-first day of January. A holder of a certificate of registration who  
93 seeks to renew his or her certificate shall, when filing an application for  
94 renewal of the certificate, submit documentation to the department  
95 which establishes that he or she has passed any examination and  
96 completed any educational coursework, as the case may be, required  
97 for certification under this chapter. The fee for renewal of a certificate  
98 shall be two hundred dollars.

99 Sec. 5. Section 20-319 of the general statutes is repealed and the  
100 following is substituted in lieu thereof (*Effective October 1, 2012*):

101 (a) The commission shall authorize the Department of Consumer  
102 Protection to issue an annual renewal license to any applicant who  
103 possesses the qualifications specified in and otherwise has complied  
104 with the provisions of this chapter and any regulation adopted under  
105 this chapter. The commission shall authorize said department to issue  
106 an annual renewal of a real estate broker's license to any entity licensed  
107 pursuant to subsection (b) of section 20-312, provided such entity: (1)  
108 Was so licensed as of September 30, 2005, notwithstanding the fact  
109 such entity does not meet the requirements for publicly traded

110 corporations required by subdivision (3) of subsection (b) of section 20-  
111 312, or (2) changes its designated real estate broker pursuant to  
112 subsection (c) of section 20-312.

113 (b) There is hereby established an annual renewal license to be  
114 issued by the Department of Consumer Protection. Persons licensed in  
115 accordance with the provisions of this chapter shall fulfill a continuing  
116 education requirement. Applicants for an annual renewal license for  
117 real estate brokers or real estate salespersons shall, in addition to the  
118 other requirements imposed by the provisions of this chapter, in any  
119 even-numbered year, submit proof of compliance with the continuing  
120 education requirements of this subsection to the commission,  
121 accompanied by an eight-dollar processing fee. The continuing  
122 education requirement may be satisfied by successful completion of  
123 any of the following during the two-year period preceding such  
124 renewal: (1) A course or courses, approved by the commission, of  
125 continuing education in current real estate practices and licensing  
126 laws, including, but not limited to, practices and laws concerning  
127 common interest communities, consisting of not less than twelve hours  
128 of classroom study; or (2) a written examination prepared and  
129 administered by either the Department of Consumer Protection, or by  
130 a national testing service approved by the department, which  
131 demonstrates a knowledge of current real estate practices and licensing  
132 laws; or (3) equivalent continuing educational experience or study as  
133 determined by regulations adopted pursuant to subsection (d) of this  
134 section. An applicant for examination under subdivision (2) of this  
135 subsection shall pay the required examination fee to the national  
136 testing service, if administered by such testing service, or to the  
137 Department of Consumer Protection, if administered by the  
138 department.

139 (c) If the commission refuses to grant an annual renewal license, the  
140 licensee or applicant, upon written notice received as provided for in  
141 this chapter, may have recourse to any of the remedies provided by  
142 sections 20-314 and 20-322.

143 (d) The Commissioner of Consumer Protection, in consultation with  
144 the commission, shall adopt regulations, in accordance with chapter  
145 54, concerning the approval of schools, institutions or organizations  
146 offering courses in current real estate practices and licensing laws,  
147 including, but not limited to, practices and laws concerning common  
148 interest communities, and the content of such courses. Such  
149 regulations shall include, but not be limited to: (1) Specifications for  
150 meeting equivalent continuing educational experience or study; (2)  
151 exceptions from continuous education requirements for reasons of  
152 health or instances of individual hardship. No school, institution or  
153 organization that offers a course in current real estate practices and  
154 licensing laws may be disapproved solely because its courses are  
155 offered or taught by electronic means, and no course may be  
156 disapproved solely because it is offered or taught by electronic means.

157 Sec. 6. (NEW) (*Effective July 1, 2012*) (a) No person may prohibit or  
158 hinder the owner, lessee or sublessee of a condominium unit from  
159 attaching to an entry door or entry door frame of such unit an object  
160 the display of which is motivated by observance of a religious practice  
161 or sincerely held religious belief.

162 (b) Subsection (a) of this section shall not prohibit the enforcement  
163 or adoption of a bylaw that, to the extent allowed by the first  
164 amendment to the United States Constitution and section 3 of article  
165 first of the Constitution of the state, prohibits the display or affixing of  
166 an item on an entry door or entry door frame to the owner's, lessee's or  
167 sublessee's unit when such item: (1) Threatens the public health or  
168 safety; (2) hinders the opening and closing of an entry door; (3) violates  
169 any federal, state or local law; (4) contains graphics, language or any  
170 display that is obscene or otherwise patently offensive; (5) individually  
171 or in combination with each other item displayed or affixed on an  
172 entry door frame has a total size greater than twenty-five square  
173 inches; or (6) individually or in combination with each other item  
174 displayed or affixed on an entry door has a total size greater than four  
175 square feet.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2012</i>	20-452(a)
Sec. 2	<i>October 1, 2012</i>	20-453
Sec. 3	<i>October 1, 2012</i>	20-456
Sec. 4	<i>October 1, 2012</i>	20-457(d)
Sec. 5	<i>October 1, 2012</i>	20-319
Sec. 6	<i>July 1, 2012</i>	New section

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### ***OFA Fiscal Note***

#### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 13 \$</b>	<b>FY 14 \$</b>
Consumer Protection, Dept.	GF - Cost	less than 1,000	None

Note: GF=General Fund

***Municipal Impact:*** None

#### ***Explanation***

The bill results in a one-time cost of less than \$1,000 to the Department of Consumer Protection in FY 13. The cost is associated with modifying applications and the CAVU e-licensing system to meet the new requirements for community association managers. There are currently 287 licensed community association managers.

House "A" (LCO 4202) eliminates civil penalties which results in a revenue loss of less than \$10,000.

#### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.



**OLR Bill Analysis****sHB 5536 (as amended by House "A")\******AN ACT CONCERNING REQUIREMENTS FOR CERTIFICATION AS A COMMUNITY ASSOCIATION MANAGER, LICENSURE AS A REAL ESTATE BROKER OR SALESPERSON AND ORGANIZATION OF A UNIT OWNERS' ASSOCIATION.*****SUMMARY:**

This bill generally restricts anyone from prohibiting or hindering a condominium unit's owner, lessee, or sublessee from attaching a religious item to the unit's entry door or entry door frame. Subject to the constitutional protection of religious liberty, the bill provides certain exceptions, such as if the items are beyond a certain size or patently offensive.

The bill also requires new applicants for community association manager registration to submit to criminal background checks. It also establishes education and testing requirements for community association managers. The testing requirement does not apply to anyone who has been registered as a community association manager for at least 10 years as of October 1, 2012. The bill specifies that failure to comply with this education requirement can subject the person to revocation or suspension of his or her registration, among other things. The bill also requires the Department of Consumer Protection (DCP) to adopt regulations related to the testing and education requirements.

By law, to renew their licenses, real estate brokers and salespersons must complete continuing education requirements, which can be satisfied, among other things, through courses approved by the Real Estate Commission within DCP. The bill provides that such courses must include practices and laws on common interest communities (e.g., condominiums). It also specifies that the DCP commissioner's regulations on coursework approval must include such matters.

\*House Amendment "A" adds the provision concerning religious items on condominium entry doors and door frames. The amendment also deletes provisions in the underlying file (1) allowing courts to impose civil penalties of up to \$5,000 for violations of the Common Interest Ownership Act (CIOA) and (2) requiring unit owners' associations under CIOA that are created on or after October 1, 2012 to be organized as business or nonstock corporations.

EFFECTIVE DATE: October 1, 2012, except the provision concerning religious items at condominiums is effective July 1, 2012.

## **§ 6 – RELIGIOUS ITEMS ON CONDOMINIUM UNIT ENTRY DOORS**

The bill generally bars anyone from prohibiting or hindering a condominium unit's owner, lessee, or sublessee from attaching to the unit's entry door or entry door frame an object being displayed as part of a religious practice or sincerely held religious belief.

Despite this general bar, the bill allows the adoption and enforcement of bylaws that prohibit items from being displayed or affixed on such doors or door frames when they:

1. threaten public health or safety;
2. hinder the entry door from opening and closing;
3. violate any federal, state, or local law;
4. contain graphics, language, or any display that is obscene or otherwise patently offensive;
5. if displayed or affixed on an entry door frame, are larger than 25 square inches, individually or in combination with other such items; or
6. if displayed or affixed on the entry door itself, are larger than four square feet, individually or in combination with other such items.

Such bylaws must not conflict with the First Amendment of the U.S. Constitution and Article I, Section 3 of the state constitution (protecting the right of religious liberty).

## **COMMUNITY ASSOCIATION MANAGERS**

### **§ 1 – Criminal Convictions and Background Checks**

By law, community association managers must register with DCP. The bill requires the application form to include a question about whether the applicant has any felony convictions in any jurisdiction.

The bill also requires anyone seeking an initial community association manager registration certificate with DCP on and after October 1, 2012 to submit to the DCP commissioner's request for a state and national criminal background check. (The bill does not specify who must pay for the background check.) The bill prohibits DCP from issuing a registration to someone until DCP receives the person's background check.

### **§§ 2, 3, & 4 – Education and Testing Requirements**

The bill requires all community association managers to successfully complete a nationally recognized course on community association management. Under the bill, anyone who was registered before October 1, 2012 has until October 1, 2014 to complete the course; anyone initially registered on or after October 1, 2012 must complete the course within one year of registration.

The bill also requires community association managers who receive their initial registration on or after October 1, 2012, as well as those who were registered before then and have been registered for less than 10 years, to pass an examination, with the same deadlines as required for completing the course outlined above. The exam may be (1) the National Board of Certification for Community Association Managers' Certified Manager of Community Associations examination or (2) a similar examination that the DCP commissioner prescribes in regulations (see below).

By law, the Real Estate Commission can take various actions against someone who violates any provision of the community association manager law. The bill specifies that this includes the failure to comply with its educational requirements. These actions include (1) revoking, suspending, or refusing to issue or renew a community association manager's registration certificate; (2) placing a registrant on probation; or (3) issuing a letter of reprimand. By law, the commission can revoke or suspend a registration certificate only after notice and a hearing in accordance with the Uniform Administrative Procedure Act.

**Registration Renewal.** The bill requires community association managers, when applying for their annual registration renewal, to submit to DCP documentation showing that they have passed any required examination or completed any required coursework.

**Regulations.** The bill requires DCP, with the Real Estate Commission's advice and assistance, to adopt regulations on (1) any examination required for community association manager certification and (2) the approval of (a) schools, institutions, or organizations that offer courses in current practice and laws concerning community association management and (b) the course contents. The regulations must specify how to meet the educational requirements. They must also include exemptions from the requirements for reasons of health or individual hardship.

The bill prohibits DCP, in adopting the regulations, from disapproving an examination or course, or the school, institution, or organization that offers an examination or course, solely because the examination or course is offered or taught electronically.

## COMMITTEE ACTION

Judiciary Committee

Joint Favorable Substitute

Yea 42 Nay 0 (04/02/2012)